

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

NUMBER: 3077.2009

ISSUE DATE: February 2, 2009

Use Tax in Relation to Use of Private Airplanes for Business Within and Without The State

Does the use tax apply to private airplanes where purchased and delivered outside the state to a Washington resident and substantially used outside the state?

Assume Construction Company, a Washington company, purchases two airplanes. These planes are purchased outside the state and delivered to Construction Company in another state. Construction Company uses the planes for the purpose of securing and performing several large out-of-state contracts held by it. The planes are so large that it was practically and economically unfeasible to use them on Washington state construction jobs. The planes, however, are used in commuting between the main office in this state and various job sites. They are hangared in Washington occasionally, but most of the time, are kept at out-of-state points.

These planes are used both within and without the state and are used substantially in interstate flights. Under Washington law, there is an exemption for persons acting as air carriers regularly transporting persons or property of others for hire with respect to the use of aircraft in conducting such interstate transportation for hire. RCW 82.12.0254. This exemption does not apply to Construction Company because it is not a carrier for.

Therefore, because Construction Company is a resident of Washington, its home office is here, and the planes are used within and without the state Construction Company is liable for use tax on the airplanes.

All ETAs were cancelled on February 2, 2009 and those which had a continued use were rewritten and reissued using a new numbering system. The new ETAs are numbered using the following format 3nnn.yyyy. The Department of Revenue issued ETA 3001.2009 which includes a cross reference table showing the old and new ETA numbers for those ETAs that were rewritten.

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